## INTERNATIONAI  <br> Published with The New York Times and The Washington Post <br> No. 30,75

## srael Shows Signs Jf Willingness to

 Resume U.S. PactBy Wriliam Claiborne



Tass Declares Reagan
Reverts to 'Cold War'



U.S. Sanctions Risk Damaging Western Alliance

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The just-concududed three-dy
Thit hreby Sen Chaxles H. Percy,


Ne\# Beginning' Mh is a move toward eliminasting

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ifanmer Israeli Foreign Ministes







## Europeans, Japanese React Coolly <br> To U.S. Measures Against Russia







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ite spirit of the hand
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nent from interationa
discord. Insighst, Page 5 .

Nerve Gas Basing The U.S. Defense Departument ommended hasiag nerve gas
shells in Europe. Page 3.
Chinese Border



Note to Readers
Bccause of Lhe New Year's
holiday the Incernaional Herald Tribune nuill non publish
on Friday. The newspaper will resume its resular pun
scbedule on Sarurday.

Official Efforts
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Europeans, Japan Cool To U.S. Move

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 Controversial Deal







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U.S. Measures on Russia Tied to Crossed Messages

 The exchange began with a message from Mr. Reagen to M.
Brehmev announced puilicly by the U.S. president in his tele

 and wamed that ifi this repression continues, the United Sates
will have no chooce but to take forther concree political and eoo-
nomic measures affecting nomic measures affecting our relationship. The reply from Moscow came on Chnistmas night. Although scribe it in detail, Mr. Reagan has characterized it as "ncegative"
and other officials have called it "very toush" in substance and It
In view of that response, the sources said, Mr. Reagan and his
and




Threat to Lake Baikal Brings Protest Moves


Union Chief Reported Set To Join Talks

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## Turkish Leader Plans Elections Late in '83

EEC's Thorn Ends Visit to Spain and
Affirms ${ }^{\circ} 84$ Entry



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## WORLD NEWS BRIEFS

Lraq Claims Air Intrusion by Lsrael


 Syrian Talks Whth Iranians Delayed

## DAMASCUS - SSyin annomenod Wednediy that phanod dilks with


 Hlinois Court Rules on Ukrainian Boy





 Blast at Kabul Armas Dump Reported
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N. Yemen Orders Iran Envoy Home

 British Queen Distributes Honors





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## South Africa's Restful Sunday Faces a Sporting Challenge






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Pentagon Panel Finds ;ome Nerve Gas Basing
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U.S. Trying to Expel Taiwan

 China Suspends Talks With Russia on Border

Linked to Curbs On Latin Rights

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Ambidid kin 10 in Pers


## 「 Heralider Tribune

## The Perfect Sanction


some sacrifice theroselves, would make is this so while Polish workers, using their ductive labor. U.S. sanctions against Moscow (and Warsaw) will weigh less than the Poles wan resistance to martial law. But Americans cannot
alone.
West Europeans, as well as the Soviets, we
Went trust will pay close attention to the way Mr
Reagan is proceeding. He has moved deliberReagan is proceeding. He has moved deliber-
ately, consulting the allies as he goes. He gave the Soviets fair and discreet warning dard. reasonable: word and to allow in Poland a course foreig to official Soviet taste but respectful of legit to the Kremlin the carrot of a foller dialogge In recent years Americans have becom stake in doing business as usurapes with greater
viet Union They will not understand, however, why they should be more concerned than Europeans by the thrust of Soviet-sponsored THE WASHINGTON POST.

## Into a Monetary Fog


#### Abstract

For the past two years, the U.S. Federal Reserve Board has made economic policy and economic history - by controlling. the growth of the nation's supply of money. But as time passes the technique is rendering it as time passes, the technipuc of mondey. But responses that make its key indicators ambig- uous and unreliable, and no one is more aware of it than the people who nm the Fed- eral Reserve. In a speech in Washington this week, Anthony Solomon, the president of the the difficulties now developing and saggested that it won't be long before the country is forced to find another way to steer its monetary policy. Mr. Solomon was delivering a message to the Reagan administration's Treasury Dethe Reagan administration's Treasury De- partment, among others, and to its resident monetaists. Monetarism holds that ioflation can be controlled only one way -by a firm grip on the money supply. The Federal Reserve had traditionally used interest rates as tion in the 1970 s badly skewed them. In late 1979, it turned to the present practice of setting the size of the money supply as ins target and leting interest rates go wherever the market took them. The market took thene ex- tremely high. Those astonishing rates in turn guickly began to tremely high. Those astonishing rates in turn guickly began to change the ways in which


## Politics of Extradition


exception The crime attributed to Mr. Eain was planting a borab in a crowded. marker ence Day. Shooting a British soldier on
plainclothes patrol in Northenn Ireland has more politicall flavor, but still seems unworthy of recognition by law. Grantion gerously legitimize indiscriminate terrorism In extensive hearings, the courts properily stablished that the charges were extraditable
offenses under the treaties and that they were supported by enough evidence to establish probable cause of guilt, by U.S. standards But in trying to decide whether the crimes
were "political"" the judges were driven fa afield, to inconsistent rulings.
The court that allowed Mr. Eain's deporta on devved into Middle East conditions bn lence. The other court held a week of hear ings about the Irish troubles and determined contrary to the official U.S. position, that the Mackin case grew outitical "uprising"
A botter division of labor is provided by the United States' newly ratified treaties with
the Netherlands and Colombia. They assign the Netheriands and Colombia. They assig
the "political" questions sexclusively to the the polincal questions exclusively to th
secretary of state. Beyond specific treaties
both the Carter and Reagan administration secretary or state Beyond specinic treaies
both tare
have favored amend Reagan administrations have favored amending the general extradi-
tion law to the same eund Leaving diplomacy to diplomats provides better, speedier justice.
THE NEW YORK TIMES.

## Other Opinion

## How to End Chinese Bickering?

 At the highest level, the Deng administraMaoist extremists to those loyal to his style of pragmatism. At the lower levels, confusion hrowi out in the Cultural Revolution have been rehabiititated but have not yet got theirsee their brutal persecutors in the Cultural Revolution unpumished; worse, they find cize or ignore them. How can the bickering
be ended? And who can blame the milions ho have endured so many political upheav als since 1949 for do

From The Times (London)
Dec. 31: From Our Pages of 75 and 50 Years Ago
1906: Toxic Margarine NEW YORK - Ten million pounds of oleomar-
:garine, or butterine, much of it containing poisonous coloring matter and manufacceured from
disease-breding fats, has been forced into New York Gry from New Jersey during the last year, contrary to the liaw, been carried on at great Ped hat it is no concern of the Deparrment of
Health of which be is the head. Prosecutions
 nine is sold withoul hindrance in all tenement
districts and many unscrupulous dealers pass it

1931: Finnish Prohibition HEI SINKI-After the two-day Fmanish national
referendum on prolibition, wet adhertenls bet 3
 portion of the electorate, particularly in district where workers are predominant, abstained from
voting Surprise was caused by the fact that vot vounge Supprise was caused by the fact that vot
ing was excedingly slow in the home districts o he Le Lapuan movement, a nationwide organiza
tion of extreme conservatives who demanded the ion of extreme conservatives who demanded the
immediate trpan of the probibition law. In the
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 <br> \section*{Ending a Year of Reaganomics: <br> \section*{Ending a Year of Reaganomics: <br> <br> Letter of Disillusionment From a Supporter} <br> <br> Letter of Disillusionment From a Supporter}

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## Floundering in the Real World

By Joseph Kraft


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of tragifiaion in the economy and decining U.S. in
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the presidert' ideologial agenda, and he defived.









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## An Israeli Presence vs. Annexation in Golan 

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## INSIGHTS /SIDELIGHTS.

## The Race to Exploit Antarctica

 As Nations Compete for Food and Energy Resources, Lure of Riches Vies With Spirit of Safeguards Treaty

To the U.S., a Laboratory for Basic Research

## To Some Nations, a

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## U.S. Policy Review



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#### Abstract

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The Stage: Broadway Lessons of 1981


## Theater in England: A Lack of Excitement

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## 'Light Wine’ Sales Soaring in U.S.

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Hall And not ooly the National:
 Vic? All these and more have been
foresed coonomically to suxcrumb to
a random flop-and-fail policy. Outside London, larger thesters
from Cibchester oorth to Noting ham and Ceiosster seema to have
found some savation in bis old
musicals, often complete wilh biig old stass, while the good rews
from inner London is the turamg
of the Fortune into a home for the best of the fringe Typically, no
sooncr should that
have started than the mananagemean
lound itean have started than the managesment
found itself at 1 logerheads with
the proprietors in a redevelopment

| Safe Bets <br> Few other central London managements want to risk their inves wors money on any but the very safest of bets; like publishers, impresarios have boen ruming for cover at the first breath of cold air. When they emerge from their caves and frod that the weather has changod, there may well be nobody out there to enjoy it with them. <br> The West End is still a wasteland of cumbling theaters, surly box-office managers overpriced took Broadway more than a decade to realize that its only bope of of New York on matters environmental and social as well as economic and theatrical; it is appar- <br>  |
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## China to Raise Rates On Loans, Deposits

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Tokyo Market Analysts See '82 Stock Average of 9,000













## Boom Seen in Japanese Robotics




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W. German Banks: Hectic End to an Off Year




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 KREDIETBANK F. Fi.a. UXXEMBOURGEOISE

Weekly net asset value
$\square$
Tokyo Pacific Holdings N.V on Jonuary 1, 1980: U.S. $\$ 66.42$ Listed on the Amsterdam Stock Exchange Intormatlon: Pierson. Heldaring \& Piersoon N.V.,
Herengracht 214,1016 SS Amst

## NYSE Nationwide Trading Closing Prices Dec. 30



AMEX Nationwide Trading Closing Prices Dec. 30


INTERNATIONAL HERALD TRIBUAE, THURSDAY, DECEMBER 31, 1981-FRDAYY, JANUARY 1.1982


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## BOOKS

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## BRIDGE




Las Vegas Gamblers Go Wild At Seeing Their Steeds Run

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Finn Wins First Round Of Ski Jumping Event OBRSSITORF, Wemman Germany champion toun Fmand wo the





Walker, Georgia's Star Tailback, Rumbling Again About Going Pro
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By Gorlon S. White J.

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Vilas Upset by Pfister In Australian Tennis

 Roscoe Zoe wiuning a race Ang 29 after slipping in the mom near the finish. The jockey,
Benvie Sayler, stayed aboard as Roscoe Zee stid to the wive. Neither horse nor rider was hurt.

Olympic Body Rolling in Television Dollars

Ceramco Leading World Yacht Race


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The Year That Was

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